



Competitive Advantage Is Moving Downstream



HBR article by **Niraj Dawar**, December

Businesses traditionally think of competitive advantage in terms of new or better products. But today the question of which products to make is ceding ground to the question “What else can we do for our customers?” Dawar writes that this shift makes downstream activities—branding, delivery, data collection—take on more strategic importance.

There’s a lot of smart thinking in this piece. The only modification that’s needed is in the question to be asked when moving innovation downstream. Instead of “What else can we do for customers?” companies

should ask “What else should we do?” Without careful adherence to the brand identity (what the brand stands for and its defining values and attributes), companies might end up chasing customers and pur-

suage activities beyond their capabilities and the roles that customers give them permission to fill.

Denise Lee Yohn, author, *What Great Brands Do*, and president, Denise Lee Yohn Inc.

I totally disagree with the central idea of this article. The author seems to put marketing on a pedestal when it comes to companies’ ability to compete. The way I (and most academics, for that matter) see it, competitive advantage is a function of capabilities a company has across various areas—one of them potentially being marketing. But marketing alone (in most cases) can never be the sole source of advantage—as this article suggests. Product positioning definitely is important, but the author is talking about it as if it were independent of other functions in the company. Competitive advantage very rarely comes solely from downstream activities. It’s usually a combination of activities from both upstream and downstream.

Bogdan Neagu, account manager, Gartner

Dawar responds: *I don’t think the article places the marketing function on a pedestal. It suggests that activities that involve customer interaction are increasingly costly, increasingly account for the value that customers pay a premium for, and are increasingly the primary sources of competitive advantage. And I agree that these activities must be coordinated*

The Focused Leader

HBR article by **Daniel Goleman**, December

Attention is the most essential leadership skill, says Goleman. Great leaders focus it inwardly, on others, and on the world.

A number of articles in December’s issue of HBR reinforce the impact that mind-set has on professional performance. Yet most leadership development programs focus on what leaders and managers should know

and do, rather than the true starting point, which is helping them work out how to see the world like a leader, think like a leader, and manage their own mind-set, assumptions, and paradigms. Many companies seem

frightened by leadership development approaches that prioritize mental states. My hope is that Goleman’s work will help make such approaches more acceptable in business, enabling executives to lead with authenticity, passion, and a real sense of personal integrity—in other words, to be leaders that people will actually want to follow.

Blaire Palmer, CEO, That People Thing, and author of *What’s Wrong with Work?*